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8 May 1959

MEMORANDUM TO : ALL AREA DIVISION CHIEFS

SUBJECT : Briefing of Contract Personnel on Tax Matters

1. During the last few months as deadlines for tax filing approached and every effort was being made to facilitate the tax payments of all contract personnel, it became increasingly apparent that somewhere along the line there was a failure to appreciate the importance of proper handling of U. S. income tax matters.

2. Difficulties arose from lack of provision in contracts (and memoranda of oral agreements) either to withhold U. S. income tax or to establish the method by which the agent would satisfy his tax responsibility in those instances when it is infeasible to withhold; from incomplete or no briefing of contract personnel prior to departure to the field as required by [REDACTED] and from failure to make prompt arrangements with the Finance Division to withhold. All of these matters have been clearly prescribed in Agency Regulations. The difficulties arising from carelessness in handling such tax matters can cause financial loss to the agent, lack of confidence in the case officer by the agent, and in serious cases, security breaches detrimental to the Agency.

3. It is requested that this be brought to the attention of all case officers and that every effort be made to see that tax matters are being properly handled so that in the future recurrences of the tax problem cases encountered in the past can be avoided.

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Chief of Operations, OD/P

cc: All Staff Chiefs.

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Recy. Tax